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CIA COMES OUT FIRING AGAINST ABC

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WASHINGTON—The CIA replaced its shotgun with a rifle late last week in releasing a point-by-point denial of charges leveled at the intelligence agency in two disputed ABC News reports.

The Central Intelligence Agency claimed that ABC presented "a work of fiction" and "artificial news" in the guise of an investigative news documentary that unfairly "portrayed the CIA as the talisman of evil, ruthless and responsible to no individual and with no legal constraints when its interests are threatened."

Unlike previous CIA salvos at ABC, the agency's latest assault raises questions about the network's news-gathering methods as well as the reliability of sources and means of substantiation used to report on allegedly illegal CIA

activities in Hawaii, including a plot to murder indicted investment counselor Ronald R. Rewald, an American citizen.

In an exhaustively detailed 74-page petition filed late Friday with the Federal Communications Commission, the CIA renewed its charges that ABC violated the FCC's fairness doctrine and a rule against deliberate news distortion, and engaged in a personal attack on the CIA and on President Reagan in news reports broadcast Sept. 19 and 20 of last year. The agency again asked the FCC to investigate its claim against ABC and "to grant such further relief as it may deem appropriate."

The CIA said: "Except for nine

words—'The CIA denies it ever tried to kill Rewald'—ABC did not once present anything other than the Rewald version of the story, a story which excuses Rewald from the acts for which he stands indicted and, instead, implicates and indeed accuses the CIA of the theft of over \$20 million and attempted murder."

The new complaint (actually an appeal of a January FCC staff dismissal of the agency's initial charges) points at the techniques ABC employed in the broadcasts and charges that the reporter and producers responsible: knowingly used unreliable and suspect sources; purposely distorted the facts

and positions of public officials quoted; suppressed or ignored the preponderance of evidence contradicting their allegations, and acted with "reckless disregard" by not verifying the criminal charges made against the agency.

Throughout the unusual string of events surrounding its fight with the intelligence agency, ABC has not answered publicly the CIA's charges. ABC's public statements have centered on the First Amendment issues raised by the CIA's unprecedented effort to involve the FCC in the dispute.

On Friday, Roone Arledge, president of ABC News and Sports, issued a prepared statement that, in large part, repeated verbatim a Nov. 26, 1984, statement issued in response to the CIA's initial FCC filing.

ABC's disputed reports, along with a brief follow-up broadcast on Sept. 26, alleged that the CIA conducted an array of clandestine and illegal activities through the now-bankrupt Honolulu investment firm of Bishop, Baldwin, Rewald, Dillingham & Wong. Those operations included, ABC alleged, arms shipments to Taiwan, Syria and India, efforts to destabilize the economies of Hong Kong, Greece and the Philippines and a

CIA plot to murder Rewald.

ABC has acknowledged that it could not substantiate the Rewald murder story, but it has not addressed publicly any of the other allegations raised, including a claim that the CIA threatened the life of an investor in Rewald's firm.

Last August, a Honolulu grand jury slapped Rewald with a 100-count federal indictment for tax evasion, fraud and perjury. He is accused of swindling about 400 investors out of about \$22 million. The grand jury also concluded that Rewald lied in a sworn statement claiming that his firm was created for and operated at the direction of the CIA. That sworn statement has formed the basis for much of ABC's and others' reporting of the Rewald affair.

"ABC never informed the viewing public that the Department of Justice and other government entities familiar with Rewald believed that he was solely responsible for the loss of the investment funds," the CIA said.

The CIA complaint also charged that ABC misrepresented the position of the court-appointed bankruptcy trustee, Thomas Hayes, who has sorted through Rewald's complicated financial dealings as well as reviewed court-sealed records in the case.

ABC said on the air in September, 1984, that Hayes confirmed the Rewald-CIA connection but, according to the agency's complaint, Hayes' interview was edited in such a manner that he seemed to convey "implicitly the notion that the trustee found that the CIA was directly involved in the theft of money."

That is not Hayes' position, the CIA argued. According to official and published accounts, including Hayes' preliminary report to the bankruptcy court, he has concluded that "there is no credible evidence" that investor money was spent on either overt or covert CIA projects.

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The intelligence agency also claimed that ABC failed to exercise minimal efforts to corroborate its charges that the CIA engaged in illegal arms deals, especially the allegation of a secret shipment to Taiwan.

That "back-door deal," ABC claimed on the air, "enabled the CIA on behalf of the U.S. government to circumvent its agreement with mainland China not to supply certain offensive weapons to Taiwan." ABC accompanied that statement with film footage of Pres-

ident Reagan greeting an official of the People's Republic of China.

The unrelated film, the CIA said, suggested "to the viewing public that the President was engaged in duplicitous, deceitful conduct." That accusation, the agency added, constituted a "personal attack against the CIA and the President of the United States, which under even the most basic standards of fairness would require corroboration on the presentation of opposing viewpoints."

The CIA told the FCC that the network's on-air charges "were created out of thin air" and were no more valid than the infamous 1981 Pulitzer Prize-winning "Jimmy's World" fabrication by Washington Post reporter Janet Cooke.

"An examination of the 'overall picture' in this case leads inescapably to the conclusion that ABC first decided exactly what it wanted to report and then purposefully constructed a broadcast to fit its predetermined ideas," the CIA said.